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1. YUGOSLAVS ADMIT SERIOUS DIFFERENCES WITH THE USSR

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High Yugoslav officials now admit that the Soviets have been undermining Yugoslav relations with the Satellites, according to Ambassador Riddleberger.

Yugoslav foreign under secretary Prica

on 29 September that the attitude of Soviet party boss Khrushchev in his talks in Brioni had been an uncompromising reversal of the 20th Communist Party congress doctrine on the "many roads to socialism." When Tito threatened to publish their respective positions. Khrushchev invited him to the USSR to discuss their differences with the Soviet leaders. Prica added that the Soviet leaders apparently had expected that Yugoslavia would return to the Soviet fold and were now worried about the effect of their policy of liberalization in the Satellites. Molotov and others had always opposed the policy and the great majority of the Soviet presidium and central committee, including Khrushchev, now support Molotov's views. Prica stated this had created such a wide gap between Soviet and Yugoslav ideas on socialism that it could never be bridged.

Riddleberger concludes that this development, if as described, must be a bitter blow to Tito, who has predicted fundamental changes in the USSR in justifying his foreign policy.

Comment

Because of the extent of the ideological differences, any durable Yugoslav-Soviet compromise is unlikely, although both sides will try to avoid another open split.

Tito's visit to the USSR, despite the unfavorable Western reaction he feared would result, indicates that he feels he must make every effort to protect Yugoslavia's growing prestige in Eastern Europe.

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2. NASR ADVISER SAYS EGYPT IS READY FOR **NEGOTIATIONS ON SUEZ**

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Ali Sabri, Egyptian president Nasr's principal political adviser, stated on 29 September prior to his departure for New York that he believes the mo-

ment has come when the parties to the Suez dispute can accept negotiations and reach a mutually satisfactory settlement without loss of face. Sabri said this applies, however, only if the West's objective is a settlement and not just to "get" Nasr.

Sabri said Egypt hopes the UN Security Council will designate a negotiating body. He added that his government had no set requirements for the composition of such a body and would accept negotiations with the Westernsponsored users' association, although such negotiations would not satisfy "the world"--i.e., the USSR. Sabri repeated assurances given earlier by other Egyptian spokesmen that Egypt would be willing to enter detailed agreements on such questions as tolls and administrative regulations, provided Egypt remained the actual operator of the canal.

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Comment

Apart from the emphasis on Egypt's readiness to negotiate now, Sabri's statements indicate that Cairo has not lowered its terms for a settlement in any significant respect.

A French Foreign Ministry official has emphasized to the American embassy in Paris the danger of permitting the Security Council, or any group delegated by it, to assume the role of negotiator in international disputes, since this would create a precedent for further Soviet intervention in affairs in which the USSR has no direct concern.

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4. BRITISH LABOR PARTY CONFERENCE

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Aneurin Bevan's election on 1 October as party treasurer at the British Labor Party conference, only a year and a half after he was almost expelled from the party,

shows the degree to which party unity has been restored under Hugh Gaitskell's leadership. Despite his past contentiousness, Bevan's moderation during the last six months made him acceptable even to Gaitskell, who preferred his right-wing opponent. The party treasurer automatically sits on the National Executive Committee, the top policy board of the party.

Probably more significant for future party policy is the growing militancy of the trade union movement, previously a major moderating influence. Under stimulus of the new head of the influential Transport and General Workers Union, the unions have reversed their position by demanding further nationalization of industry and by rejecting the government's plea for restraint in wage demands. The party will vote on these and other issues before concluding its conference on 5 October.

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8. LAOS REPORTEDLY TO ESTABLISH DIPLOMATIC RELATIONS WITH THE SOVIET UNION 25X1A

The Laotian cabinet has approved the establishment of diplomatic relations	25X1
with the Soviet Union,	
Meanwhile,	
Pathet Lao representatives on the	25X1
mixed commissions negotiating a final settlement with the	
royal government have insisted, but without success, that	
diplomatic relations also be established with Communist	•
China and North Vietnam.	
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Comment 25X1A

The Laotian prime minister has expressed a willingness to open relations with both countries if they will treat Laos as a fully independent and sovereign state.

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